

# Congress of the United States

## *News Release*

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### **Oberstar-LoBiondo Bill Would Slow Effort to Reinterpret Airline Ownership Rules** *DOT plan would allow foreign control over daily operations*

WASHINGTON— At a Capitol Hill news conference today, a bipartisan Congressional coalition led by Rep. James L. Oberstar (Minn.) and Frank A. LoBiondo (N.J.) announced legislation to ensure Congressional oversight of any attempt to allow more foreign control of US airlines. The action comes in response to a proposed rule change by the Department of Transportation (DOT) to open up US air carriers to a greater share of control by foreign owners.

House Transportation and Infrastructure Committee Chairman Don Young (Alaska) is an original cosponsor. The bill has more than 70 cosponsors.

“For the past 65 years, the Government of the United States has required that U.S. citizens have actual control over all management decisions of U.S. airlines,” said Oberstar, Ranking Democratic Member of the Transportation and Infrastructure Committee. “The DOT now seeks to accomplish increased foreign control through the back door by proposing to change the actual control test so that it would cover only safety and security decisions, and allow other airline economic decisions, including day-to-day operations, market strategy, and purchase of aircraft, to be controlled by foreign officials. This is contrary to the requirements of law and would have a major impact on air service in the United States, and jobs for US citizens.”

“Allowing the daily operations of our airlines to be controlled by competing - and potentially unfriendly - foreign interests could significantly undermine our homeland security and result in the loss of U.S. jobs,” said Congressman LoBiondo, a member of the Subcommittee on Aviation. “Our legislation is a responsible way to ensure Congress has the opportunity to determine whether reversing more than 60 years of precedent is in the best interests of the country.”

Under current law, only an airline that qualifies as “a citizen of the United States” may provide service between cities in the United States, or on international routes obtained by the United States through international agreements. The law provides that an airline may qualify as a

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United States airline, only if the airline is “a corporation or association ... which is under the actual control of citizens of the United States.”

The Transportation Department has issued a Notice of Proposed Rulemaking (NPRM), announcing its intention to change the interpretation of “actual control,” and allow foreign investors to control all commercial decisions of an airline without affecting its status as a “citizen of the United States.”

The Oberstar-LoBiondo bill would:

- For a period of one year, prohibit the DOT from issuing any final decision or final rule on the NPRM that would change its interpretation of what constitutes “actual control” of a U.S. airline.
- Make it clear that any final rule issued by the DOT is subject to the Congressional Review Act, which allows Congress to disapprove major regulatory rules issued by federal agencies.
- Require the DOT, within 90 days of enactment, to issue a report to Congress that assesses the impact of the NPRM on all aspects of an airline's operation, including national defense, safety, security, competition, domestic access for small communities, and airline employees.

The bill, HR 4542, was introduced late Wednesday with 61 original cosponsors.

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